ICO GUIDE UPDATE

LATEST UPDATE SINCE SEPTEMBER 2008

- Colombia
  - Executive Director chosen
  - Ready to start (2009)
- Costa Rica
  - Designing structure (2009)
- Africa
  - Seeds sown
- Vietnam
  - Initial tentative efforts
- Brazil
  - Retrofeeding at ENCAFÉ (2008)

APPLICATIONS OF ICO GUIDE

TRENDS IN PRODUCING COUNTRIES

- High income groups follow world tendencies
- Availability of products / economies of scale
- Replacement of traditional preparation systems
- Soluble and 3 in 1
- Traditional vs. modern retail
- Institutional sector
- Home → Out-of-home

POSITIONING COFFEE TO CONSUMERS IN PRODUCING COUNTRIES

- Low income groups are majority
- Specific approaches required
  - functionality (health / sports / attention)
  - coffee as food
  - pleasure / emotion
  - socialization
- Aspirational values
  - glamour / luxury

CONSUMERS LOOK FOR MORE VALUE FOR THEIR MONEY
EXAMPLES FROM INDIA I

SMALL PACKAGES
- 10 to 100 grams
- simple materials
- displays

EXAMPLES FROM INDIA II

DOOR TO DOOR SAMPLING
- package distribution
- individual servings
- preparation instructions
- products’ sale monitored by region
- very high response
- the most efficient strategy to introduce products

EXAMPLES FROM INDIA III

DIFFERENT STORES FOR DIFFERENT MARKETS
- Three types of store (1080 units)
  - high end shops - Cafe Coffee Day
    (specialty / espresso / snacks / etc)
  - Kiosks - Xpress
  - Traditional stores - Fresh 'n Ground
    (R+G and chicory by pound / create your blend)
- Different names for each type of store
- Visual communication allows association between different stores
- Similar beverages with different names and prices

EXAMPLES FROM MEXICO I

COMIC BOOKS
- idea borrowed from political campaigns
- direct and simple messages
- special appeal to youngsters

EXAMPLES FROM MEXICO II

PERFORMANCES IN PUBLIC AREAS AND COMMERCIAL MALLS
- troupe performing plays on the street
  - simple and direct messages
  - advantages of coffee
  - coffee and sociability
  - coffee and health
- humor / choreography / joy
- coffee tasting

DISPLAYS IN SHOPPING MALLS FOR NEW CONSUMERS?

EXAMPLES FROM MEXICO III

UNDERSTAND WHERE AND HOW THE BOP CONSUMER BUYS
- Traditional shops
- Popular supermarkets
- Small packages
  - individual and multiple servings
  - displays
EXAMPLES FROM EL SALVADOR I
COFFEE IN THE BACKPACK

EXAMPLES FROM MEXICO AND EL SALVADOR
COFFEE STATION IN GAS STATIONS AND CONVENIENCE STORES

EXAMPLES FROM COLOMBIA I
RADIO
- cheaper
- more selective
- more frequent
- excellent cost / benefit

EXAMPLES FROM COLOMBIA II
COFFEE VANS

THANK YOU!